Message Text

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INFO OCT-01 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15 DLOS-09 OES-07 EA-10 /140 R

DRAFTED BY COM/TNAD/BIEPR/OITP/LHOLEC
APPROVED BY STR:WKELLY
COM/TNAD/BIEPR/OITP/DSCHLECHTY
TREASURY/HBERGHOFF
LABOR/DWANAMAKER
INTERIOR/H.ANDERSON
STATE/WTAGLIANI/H. KOPP
NOAA/COMM:JKOLHONEN
AGRICULTURE/BHARPER-STR/HUGHES
OCA/COMM:DB USINGER

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R 042351Z MAY 78 FM SECSTATE WASHDC TO USMISSION GENEVA

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USMTN FOR MTN GENEVA

E.O. 11652:GDS

TAGS:ETRD,GATT,MTN,SZ

SUBJECT: SUPPLEMENTAL AND AMENDED REQUESTS OF JAPAN ON AGRICULTURAL PRODUCTS

1. THE FOLLOWING MTN REQUESTS SHOULD BE MADE OF JAPAN UNDER GROUP AGRICULTURE PROCEDURES: (A) TARIFF NUMBER EX 03.01-LIMITED OFFICIAL USE

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2-(2)-A. PRODUCT DESCRIPTION: FISH, FRESH, CHILLED OR FROZEN; EX-OUT FROZEN HERRING AND HERRING ROE, AND FROZEN POLLOCK AND POLLOCK ROE. CURRENT DUTY: 10 PERCENT. REQUESTED DUTY: 4 PERCENT. NTM ACTION REQUESTED: ELIMINATE IMPORT LICENSING AND QUOTA RESTRICTION. FYI. THE U.S. MADE A TARIFF REQUEST ON NOVEMBER 1 OF JAPAN FOR A REDUCTION OF THE DUTY ON BLUEFIN TUNA AND SALMON, EX-OUTS FROM

EX 03.01-2-(2)-B. END FYI. (B) TARIFF NUMBER: EX 03.021. PRODUCT DESCRIPTION: HARD ROES, DRIED, SALTED OR IN
BRINE; EX-OUT POLLACK ROE. CURRENT DUTY: 15 PERCENT.
REQUESTED DUTY: 6 PERCENT. NTM ACTION REQUESTED: ELIMINATE
IMPORT LICENSING AND QUOTA RESTRICTION. FYI. THE
U.S. MADE A TARIFF REQUEST ON NOVEMBER 1 OF JAPAN FOR AN
EX-OUT OF THIS TARIFF LINE, HOWEVER, POLLACK ROE WAS NOT
INCLUDED IN OUR REQUEST. WE ARE NOW EXPANDING THAT TARIFF
REQUEST TO INCLUDE POLLACK ROE AND MAKING AN NTM REQUEST
ON THE IMPORT QUOTA SYSTEM WHICH APPLIES TO POLLACK ROE,

BUT NOT TO THE PORTION OF 03.02-1 INCLUDED IN OUR NOVEMBER 1 REQUEST. END FYI. (C) TARIFF NUMBER: EX 03.03-2-(1).

PRODUCT DESCRIPTION: CRUSTACEANS OTHER THAN SHRIMP, PRAWN, AND LOBSTER, FRESH, CHILLED, OR FROZEN; EX-OUT SQUID.

CURRENT DUTY: 10 PERCENT. REQUESTED DUTY: 4 PERCENT. NTM ACTION REQUESTED: ELIMINATE IMPORT LICENSING AND QUOTA RESTRICTION. FYI: THIS TARIFF REQUEST WAS MADE OF JAPAN ON NOVEMBER 1 ALONG WITH A REQUEST FOR A REDUCTION IN JAPAN'S DUTY ON FRESH, CHILLED OR FROZEN CRAB, ANOTHER EXOUT FROM THIS TARIFF LINE. END FYI. (D) TARIFF NUMBER: 04.02-3. PRODUCT DESCRIPTION: WHEY, NOT CONTAINING ADDED SUGAR. CURRENT DUTY: 25 PERCENT. REQUESTED DUTY: 10 PERCENT. NTM ACTION REQUESTED: ELIMINATE IMPORT QUOTA.

2. EXPLANATION: WITH THE NEW 200 MILE FISHERIES CONSERVALIMITED OFFICIAL USE

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TION ZONE, THE U.S. ACQUIRED CONTROL OF ABUNDANT HERRING, POLLOCK, AND SQUID RESOURCES, AND JAPAN IS ONE OF THE PRINCIPAL MARKETS FOR THESE PRODUCTS. HISTORICALLY, JAPAN HAS SUPPLIED MOST OF THEIR OWN MARKET BY FISHING IN THE U.S. FISHING ZONE. THE U.S. FISH INDUSTRY, SUPPORTED BY A U.S. GOVERNMENT FISHERIES DEVELOPMENT PROGRAM IS EXPANDING, AND IS IN POSITION TO BECOME A PRINCIPAL SUPPLIER OF FISH PRODUCTS TO THE JAPANESE MARKET.

3. DUTY CONCESSIONS ALONE WOULD NOT IMPROVE U.S. MARKET ACCESS INTO JAPANESE MARKET FOR THESE PRODUCTS. LIBERAL-IZATION OF THE IMPORT LICENSING AND QUOTA RESTRICTIONS IS THEREFORE ALSO ESSENTIAL. JAPAN'S SYSTEM FOR ALLOCATING THE IMPORT LICENSES IS A MAJOR FACTOR RESTRICTING IMPORTS OF HERRING AND POLLOCK. MITI SETS THE HERRING QUOTAS ANNUALLY AND THE FEDERATION OF HOKKAIDO FISHERIES COOPERATIVES CONTROLS THE ALLOCATION OF THE IMPORT LICENSES AMONG JAPANESE IMPORTERS. IN RECENT YEARS, THE FEDERATION HAS CONSISTENTLY FAILED TO ALLOCATE A SIGNIFICANT PORTION OF THE QUOTA. FOR POLLOCK THE ENTIRE QUOTA IS ALLOCATED BY MITI TO HOKUYO SUISAN, WHOSE FACTORY SHIP PURCHASES POLLOCK DIRECTLY FROM FOREIGN VESSELS; HENCE, UNPROCESSED

FOREIGN POLLOCK MAY BE EXCLUDED ENTIRELY FROM ENTERING JAPAN. WITH RESPECT TO THE SQUID, THE LEVEL OF THE QUOTA ITSELF IS THE PRIMARY IMPEDIMENT.

4. THE U.S. CAN SUBSTANTIALLY INCREASE ITS EXPORTS OF ELECTRODIALIZED WHEY POWDER, A HIGHLY REFINED UNSUGARED WHEY USED IN THE MANUFACTURE OF INFANT FOOD, IF THE JAPANESE DUTY IS REDUCED AND THE QUOTA ELIMINATED. THE U.S. IS THE PRINCIPAL SUPPLIER OF UNSUGARED WHEY TO JAPAN SUPPLYING IN 1976 AND 1977 APPROXIMATELY 40 PERCENT OF JAPAN'S UNSUGARED WHEY IMPORTS. JAPAN'S IMPORTS OF

UNSUGARED WHEY TOTALED $4.2\,\mathrm{MILLION}$ DOLLARS AND $3.1\,\mathrm{MILLION}$ DOLLARS IN 1976 AND 1977, RESPECTIVELY. LIMITED OFFICIAL USE

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 $5.\ \mathrm{FYI:}\ \mathrm{BACKGROUND}\ \mathrm{DATA}\ \mathrm{SHEETS}\ \mathrm{FOR}\ \mathrm{THESE}\ \mathrm{REQUESTS}\ \mathrm{WILL}\ \mathrm{BE}$ FORTHCOMING. END FYI. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED Concepts: AGRICULTURAL PRODUCTION

Control Number: n/a Copy: SINGLE Draft Date: 04 may 1978 Decaption Date: 01 jan 1960 Decaption Note: Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event:

Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE114512
Document Source: CDR

Document Unique ID: 00
Drafter: TNAD/BIEPR/OITP/LHOLEC

Enclosure: DG ALTERED Executive Order: N/A Errors: N/A

Expiration: Film Number: D780191-1031 Format: TEL

From: STATE Handling Restrictions: n/a

Image Path:

ISecure: 1

Legacy Key: link1978/newtext/t19780591/aaaadaas.tel

Line Count: 139 Litigation Code IDs: Litigation Codes:

Litigation Codes. Litigation History: Locator: TEXT ON-LINE, ON MICROFILM Message ID: ace9cba3-c288-dd11-92da-001cc4696bcc Office: ORIGIN COME

Original Classification: LIMITED OFFICIAL USE Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 3
Previous Channel Indicators: n/a

Previous Classification: LIMITED OFFICIAL USE Previous Handling Restrictions: n/a

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 05 may 2005 Review Event: Review Exemptions: n/a

Review Media Identifier: Review Release Date: N/A Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2788028 Secure: OPEN Status: NATIVE

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TAGS: ETRD, SZ, JA, GATT, MTN

To: GENEVA Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/ace9cba3-c288-dd11-92da-001cc4696bcc

Review Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014